GOVERNMENT OF INDIA
CHEMICALS AND FERTILIZERS
LOK SABHA

UNSTARRED QUESTION NO:1907
ANSWERED ON:14.03.2017
Price Difference of Medicines
Mahto Dr. Banshilal;Usendi Shri Vikram

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether there is a huge difference between the production costs and selling prices of several medicines and drugs in the country;
(b) if so, the details thereof and the reasons therefor;
(c) the steps taken by the Government to control the prices of medicines and tackle the said situation;
(d) whether the Government is aware of the fact that the same medicine is being sold at different prices by different drug/pharmaceutical companies;
(e) if so, the reaction of the Government thereto; and
(f) the action taken by the Government against the erring companies?

Answer

MINISTER OF STATE IN THE MINISTRY OF ROAD TRANSPORT AND HIGHWAYS; MINISTRY OF SHIPPING AND MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI MANSUKH L. MANDAVIYA)

(a) & (b): Fixation of ceiling prices of pharmaceutical products is done on market-based pricing principle as enunciated in the National Pharmaceutical Pricing Policy, 2012 and Drugs (Prices Control) Order, 2013 (DPCO, 2013). Consequently production cost data of medicines is not maintained by National Pharmaceutical Pricing Authority (NPPA)/ Department of Pharmaceuticals (DoP).
(c): The ceiling prices of formulation / drugs which are listed in National List of Essential Medicines, 2015 (NLEM 2015) and hence included in the Schedule-I of the DPCO, 2013 are notified as per provisions of DPCO, 2013. Accordingly, NPPA has notified the ceiling prices of 664 scheduled formulations under NLEM-15 / revised Schedule I of DPCO, 2013.
(d) to (f): There is no restriction on the manufacturers to fix different prices for same scheduled formulation under different brand names as long as it is at or below the ceiling prices fixed by NPPA. NPPA fixes the ceiling price of formulations listed in Schedule − I of the DPCO, 2013. Such Ceiling Prices are applicable to all brands (including unbranded/generic versions of the formulations) as well as to all manufacturers.
All the existing manufactures of scheduled formulations, selling the branded or generic or both the versions of scheduled formulations at prices higher than the ceiling price (plus local taxes as applicable) so fixed and notified by the Government, shall revise the prices of all such formulations downward not exceeding the ceiling price (plus local taxes as applicable). Companies selling any formulation at prices lower than the ceiling price notified have to maintain existing maximum retail price.
Whenever companies are found selling scheduled formulation at prices higher than the ceiling prices fixed by NPPA, action is taken against such companies under the relevant provisions of DPCO, 2013 and the overcharged amount, along with interest is levied on the company. Similar action is taken whenever companies are found selling non-scheduled formulations at a price which is 10% higher than the MRP of the preceding twelve months.

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